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Christina R. Ghaly, M.D.  
Deputy Director, Strategic Planning

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 240-8101  
Fax: (213) 481-0503

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*To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.*



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September 24, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman  
Supervisor Gloria Molina  
Supervisor Don Knabe  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.  
Director

SUBJECT: **NOTICE OF INTENT TO REQUEST DELEGATED  
AUTHORITY TO APPROVE A PERCENTAGE  
INCREASE EXCEEDING 10 PERCENT OF THE  
TOTAL AGREEMENT AMOUNT OF EQUIPMENT  
MAINTENANCE AND REPAIR SERVICE AGREEMENTS  
WITH HOLOGIC INC. AND GETINGE USA INC.**

This is to advise the Board that the Department of Health Services (DHS) is scheduling a Board letter for the October 8, 2013 agenda that requests approval to execute two amendments to Equipment Maintenance and Repair Service Agreements as well as delegate authority for future annual maximum obligation increases of no more than 25 percent of the Agreements with Hologic Inc. (Hologic) and Getinge USA Inc. (Getinge).

In accordance with Board of Supervisors' Policy 5.120, prior Board notice is required for any department requesting delegated authority to increase Board-approved contracts by over 10 percent.

### **BACKGROUND**

Hologic provides maintenance and repair services of the mammography equipment located at Olive View-UCLA Medical Center (OV-UCLA MC) and Mid Valley Comprehensive Health Center. The Hologic mammography equipment provides three-dimensional images of a stationary compressed breast. It is used for breast cancer screening and diagnosis by helping to find cancers earlier, or to find cancers that may have been missed with traditional two-dimensional mammography alone.

Getinge provides maintenance and repair services for Getinge sterilization systems used to disinfect patient care equipment located at OV-UCLA MC, High Desert Multi-Services Ambulatory Care Center, and Rancho Los Amigos National Rehabilitation Center. An important goal of all health care treatments is preventing the spread of infections among patients and medical staff. The use of disinfection and sterilization systems such as

the ones provided by Getinge is vital to safeguarding health, as well as avoiding the additional costs and problems that result from infections originating from treatment or care.

Hologic and Getinge are the Original Equipment Manufacturers (OEMs). The OEMs use proprietary technology in their equipment to ensure that the competitors cannot service the equipment or limit the availability of the parts to the third party. When the original equipment purchase warranty expires, the best option is to contract with the OEM to ensure that the equipment is maintained in accordance with equipment specifications. Another benefit to contracting with the OEM is the guarantee of faster access to OEM parts when repair services, especially for emergencies, are needed.

### **JUSTIFICATION**

Approval of the recommendation will allow the Director, or his designee, to increase the maximum obligation of each of the Agreements up to 25 percent of the annual maximum obligation, if necessary, to add equipment coming off warranty, to authorize and pay for repairs or maintenance for equipment that is excluded under the Agreement's basic maintenance services, and add equipment/services to additional DHS locations. The facilities will only request that equipment or locations be added if additional services are needed and funding is available in the facility's budget.

The Joint Commission on the Accreditation of Healthcare Organizations (The Joint Commission) requires facilities to ensure routine preventative maintenance, timely repairs, and performance/safety testing of its equipment and to maintain patient safety. Therefore, this delegated authority is necessary to enable the Agreements to be amended timely to guarantee that the critical equipment is maintained appropriately, as well as to meet the requirements of The Joint Commission. Board policy generally allows delegated authority to increase the maximum obligation up to 10 percent. However, based on experience in recent years with several other equipment maintenance service agreements, DHS believes that requesting 25 percent for potential increases is appropriate since adding even a few pieces of equipment or an additional facility may require a significant funding increase.

If DHS is not able to add equipment to the existing Agreement, the alternative is to request a Purchase Order (PO) from the Internal Services Department. The lead time to obtain a PO is much longer than execution of an amendment to an existing DHS Agreement using the Board's delegated authority.

### **NOTIFICATION TIMELINE**

Consistent with the procedures of Board Policy 5.120, we are informing the Board of our intention to proceed with the filing of the Board letter with Executive Office of the Board for the October 8, 2013 Board Meeting.

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If you have any questions or need additional information, please let me know, or your staff may contact Kathy Hanks, at (213) 240-7819 or [khanks@dhs.lacounty.gov](mailto:khanks@dhs.lacounty.gov).

MHK:kh

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors